

SUBCOMMITTEE NO. 4

Agenda

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Agenda PART II

Wednesday, May 21, 2003

1:30

Room 3191

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0250 Judiciary

Budget Issues

Unallocated Reductions.

Budget Request. The budget proposes a one-time unallocated reduction of \$17.7 million, or 4.9 percent of the total General Fund budget. The administration has provided a Finance Letter which allocates the reduction (see below).

May Revise Finance Letter. The Administration has submitted a May Revise Finance letter that would allocate the \$17.7 million reduction to the judiciary item contained in the January 10 budget. The following detail reflects the proposed distribution of this unallocated reduction:

- Increase state operations by \$4,056,000 and distribute the remaining \$13,644,000 reduction between the programs as follows:

Decrease Supreme Court by \$1,983,000.
Decrease Courts of Appeal by \$9,291,000.
Decrease Judicial Council by \$2,095,000.
Decrease Habeas Corpus Resource Center by \$275,000.

- Decrease local assistance by \$4,056,000 and distribute the reduction between the programs as follows:

Decrease California Drug Court Projects by \$1,000,000.
Decrease Court Appointed Special Advocate (CASA) Program by \$192,000.
Decrease Model Self-Help Program by \$83,000.
Decrease Equal Access Fund by \$2,751,000.
Decrease Family Law Information Centers by \$30,000.

Staff Comments. A budget year unallocated reduction of \$8.5 million (2.5 percent), which is the amount of the one-time unallocated reduction in the current year, would prevent reductions to the local assistance programs and would limit layoffs in the Supreme Court, courts of appeal, Habeas Resource Center, and the Administrative Office of the Courts.

Does the Subcommittee wish to approve an unallocated reduction of \$8.5 million?
Action.

Appellate Court Filing Fee Increase

Budget Request. The administration proposes trailer bill legislation to increase the appellate filing fee from \$265 to \$630, effective July 1, 2003. This increase would result in \$2.1 million in revenues to the General Fund.

Staff Comments. This proposal would more than double the current fee and would make California's appellate filing fee the highest in the country. Staff notes that in some other states, there are other costs, such as transcript costs, that are charged in addition to a filing fee. No such fees are charged in California.

Potential Alternative. At the hearing on March 19, the Subcommittee members raised concerns regarding raising the appellate filing fee to the proposed level. An alternative that would collect the same revenue and retain the filing fees within the Judiciary would be as follows:

- Increase Appellate Filing Fees from \$265 to \$420 plus \$65 for the State Library and retain increased fee in judiciary budget. (Estimated annual revenue - \$1.45 million).
- Increase Supreme Court Filing Fees to \$420 and retain increased fee in judiciary budget. (Estimated annual revenue - \$290,000).
- Increase deposit for transcripts in the Courts of Appeal from \$100 to \$270. (Estimated annual revenue - \$350,000).
- Retain current appellate courts' fees in judiciary's budget (Estimated annual revenue shift - \$1.58 million).

This alternative would require trailer bill language implementing the appellate filing fees and the transcript fee, and to create an Appellate Court Trust Fund into which the fees would be deposited.

Does the Subcommittee wish to adopt the proposed alternative fee schedule and the necessary trailer bill language to implement the fees increases and create the Appellate Court Trust Fund?

Action

Appellate Court Justice Position

Background. The Fourth District, Division Three is located in Santa Ana and covers cases from Orange County. The Court is made up of eight justices, one of whom is the District's presiding justice. The Court has historically been understaffed at 6 justices. As part of an effort to achieve adequate resources and improve case processing, the Legislature created two new judgeships in the Fourth District, Division Three as of 1/01/2001.

Issue. The Fourth District, Division Three has a higher number of pending cases per justice than the other courts of appeal. Despite its increased efficiency over the past few years, the court requires additional resources to address both its current and projected future caseload.

The Fourth District, Division Three had a case clearance rate of 113% in FY 2000-01 compared to a rate of 96% in the other Appellate districts. This means that justices in the Fourth District, Division Three "cleared" or disposed of 113% of the number of cases that were filed in FY 2000-01. Even with its high level of efficiency, the Fourth District, Division Three has an extremely high level of pending cases per justice. The number of pending cases per justice is 28% higher in the Fourth District, Division Three than in the other Appellate districts. With the DOF projecting population growth in Orange County to be 22.4% over the next 20 years, it is reasonable to assume that there will also be significant growth in the workload for the Fourth District, Division Three.

Proposal. Adding an additional justice is the next step in this effort to achieve adequate resources, to continue improving case processing and court efficiency, and to enable the court to meet the expected future workload increase. One option would be to create a new appellate court justice position in the Fourth District, Division Three. Due to the financial constraints on the state at this time, no funding would be provided in the budget year.

Does the Subcommittee wish to approve trailer bill language to establish an appellate court justice position in the Fourth District, Division Three?

Action

April Finance Letter: Design and Facilities Management Division.

Finance Letter Request. This Finance Letter requests that Item 0250-001-3037 be added in the amount of \$10,752,000. This appropriation from the State Court Facilities Construction Fund will provide funding and 43 positions to begin the implementation of the Trial Court Facilities Act, Chapter 1082, Statutes of 2002. Specifically, these funds will be used to establish a Design and Facilities Management Division at the AOC that will begin to negotiate the transfer of court facilities from the counties to the State and prepare to take responsibility for the operation of some court facilities in fiscal year 2004-05.

Does the Subcommittee wish to adopt the Finance Letter?

Action.

Consent Issue**Administrative Consolidation Proposal**

Budget Proposal. The budget proposes a reduction of \$500,000 related to consolidation of administrative functions. The AOC indicates that no trailer bill language will be necessary to achieve these savings.

Does the Subcommittee wish to approve this proposal without trailer bill language?

Action

Consent Finance Letters

Accounting Processing Center. This Finance Letter requests that Item 0250-001-0001 be amended by increasing Reimbursements by \$349,000. This increase would support the implementation of an Accounting Processing Center operated by the AOC to improve the fiscal accountability of the trial courts.

Does the Subcommittee wish to approve this Finance Letter?

Action

April Finance Letter: Reappropriations. This Finance Letter proposes to add Item 0250-490 to reappropriate funding for the following two appellate courthouse projects:

1. Fourth Appellate District Court Building, Orange County—Working Drawings and Construction. This reappropriation is necessary due to delays in the acquisition of the requested site.
2. Fifth Appellate District Court Building, Fresno—Working Drawings and Construction. This reappropriation is necessary due to delays in the acquisition of the requested site.

Add provisional language to Item 0250-490 as follows:

Provision X. Funds appropriated in Sections 1 and 2 of Item 0250-490 shall be available until June 30, 2005.

Staff Comments. The Subcommittee may wish to adopt the following budget bill language related to the Fourth Appellate District Court Building. The language has been agreed to by the AOC, DOF, and DGS.

Provision X. Consistent with Chapter 4.2 of the Government Code, the Judicial Council shall provide the project implementation, including but not limited to the establishment of site criteria and selection, acquisition, design, construction, and operation, of the new courthouse construction in the Fourth Appellate District.

Does the Subcommittee wish to adopt the Finance Letter reappropriation request and budget bill language regarding the Fourth Appellate District courthouse?

Action.

0450 State Trial Court Funding

Budget Issues

Unallocated Reductions

Budget Request. The budget proposes an unallocated reduction of \$116 million for the trial courts in the budget year.

May Revise Finance Letter. This Finance Letter proposes to allocate the unallocated reduction amount from the January 10 budget. The Finance Letter proposes a number of technical changes be made to distribute this reduction between the various programs and funds in the State Trial Court Funding budget. The Administration indicates that this request is based on a plan submitted by the Judicial Council, and is consistent with the Governor's Budget proposal. The following detail reflects the proposed distribution of this unallocated reduction:

- Decrease Support for operation of the Trial Courts by \$87 million, representing a 5 percent reduction to the budgets for individual trial courts.
- Decrease Compensation of Superior Court Judges by \$10 million, related to salary savings for judicial positions.
- Decrease the Assigned Judges program by \$1.9 million.
- Decrease the resources available in the Judicial Administration Efficiency and Modernization Fund by \$5.1 million.
- Transfer \$12 million from the Trial Court Improvement Fund to the General Fund, reducing the resources available in the Trial Court Improvement Fund.

Staff Comments. The AOC indicates that a budget year unallocated reduction of \$85 million would prevent court closures and layoffs for court employees.

Does the Subcommittee wish to approve an unallocated reduction of \$85 million?

Action.

Court Security Flexibility Proposal

Budget Request. The budget proposes trailer bill language that seeks to increase cost efficiency in the provision of court security by allowing courts to enter into contracts for court security based upon a competitive bid process. The proposal would allow the courts to contract with local sheriffs departments, local police departments, or the CHP for court security services. The budget assumes General Fund savings of \$22 million in 2003-04 because of this increased flexibility.

Staff Comments. The LAO has noted that court security costs have grown rapidly in the last few years, from \$263 million in 1999-00 to a projected \$356 million in 2003-04. The Subcommittee has received information from the State Sheriffs' Association opposing the trailer bill language. The AOC indicates that it is having discussions with the Sheriffs' Association regarding options for reducing court security expenditures without compromising public safety.

Alternative Proposal. One alternative that would not provide savings in the budget year, but potential future cost avoidance would be to require the Judicial Council to establish common standards and requirements for trial court security services to ensure that such services are efficient, cost-effective, and consistent.

Does the Subcommittee wish to reject the proposed reduction and adopt alternative trailer bill language requiring the Judicial Council to establish common standards and requirements for court security service?

Action.

Electronic Reporting

Budget Request. The budget proposes trailer bill language that would give the courts the authority to use electronic reporting. The proposal assumes savings of \$36.5 million in 2003-04, including \$31 million from allowing courts the flexibility to use audio electronic reporting in courtrooms, and \$5.5 million as a result of transferring ownership of the court record from the stenographic reporter to the courts.

Staff Comments. The Subcommittee has been contacted by the Court Reporters Association, the California Independent Public Employees Legislative Council (CIPELC), and Service Employees International Union (SEIU) opposing this proposal.

Does the Subcommittee wish to reject this proposal?

Action

May Revise: Transfer from Court Facilities Construction Fund

Finance Letter Request. In order to achieve General Fund savings, this Finance Letter proposes a transfer of \$80,000,000 from the State Court Facilities Construction Fund to the Trial Court Trust Fund as a loan repayable by the General Fund. The request includes the following Budget Bill language specifying that funds will only be transferred pursuant to this item when the revenue collected by the fund is in excess of the \$10,752,000 appropriated in Item 0250-001-3037, as well as specifying that this is a loan repayable by the General Fund.

Item 0450-111-3037

Provisions

1. Transfers authorized by this item shall only take place after the revenue collected by the State Court Facilities Construction Fund exceeds the amount appropriated pursuant to Item 0250-001-3037 in this act.
2. The transfer made by this item is a loan to the Trial Court Trust Fund to be repaid by the General Fund in a timeframe to be determined by the Department of Finance. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer.

Staff Comments. The DOF has revised the estimates that the Fund reserve for the Court Facilities Construction Fund. Previously, the fund reserve was projected to be \$105.6 million in the budget year – the new projection is \$92.4 million. Of this amount \$10.8 million is proposed to be expended on the new

Design and Facilities Management Division within the AOC (Finance Letter discussed in the Judiciary budget Item above).

The Subcommittee may wish to adopt the following additional budget bill language to ensure that the courts operations, programs, and services are not adversely impacted as a result of this loan

Provision 3. It is the intent of the Legislature that funding for court operations, programs, and services is not adversely impacted as a result of this loan. Consequently, upon determination that the total funding transferred pursuant to this Item shall be less than \$80 million, the Administrative Office of the Courts is authorized to submit a request for deficiency funding for Item 0450-111-0001 in accordance with the requirements of Section 27.00.

Does the Subcommittee wish to adopt the Finance Letter with additional budget bill language to ensure that court operations are not adversely impacted as a result of the loan?

Action.

Filing Fee on Limited Jurisdiction Cases

Proposal. Under current law, the filing fee on unlimited jurisdiction cases (cases over \$25,000) is \$185 and the filing fee for limited jurisdiction cases (cases under \$25,000) is \$90. Increasing the filing fee for unlimited jurisdiction cases over \$10,000 to \$185 would generate an estimated \$28.9 million on an annual basis in the Trial Court Trust Fund (TCTF), with a conforming reduction of General Fund. Such an action would require trailer bill language.

Does the Subcommittee wish to adopt trailer bill language to increase the filing fee for limited jurisdiction cases over \$10,000 to \$185 with the revenue to be retained in the TCTF?

Action.

Increase the Small Claims Fee

Proposal. As part of the state funding for trial courts, the filing fee for small claims cases for those that file more than 12 cases per year was increased to \$35 with \$5 going to the state. Increasing the small claims filing fee from \$35 to \$60 for filers of more than 12 cases per year would generate an estimated \$1.6 million annually for the Trial Court Trust Fund (TCTF), with a conforming reduction of General Fund. Increasing this fee would require trailer bill language.

Does the Subcommittee wish to adopt trailer bill language to increase the Small Claims Filing Fee to \$60 for filer of more than 12 cases per year with the revenue to be retained in the TCTF?

Action.

Summary Judgment Motion Fee

Proposal. Increasing the Summary Judgment Motion Fee from \$100 to \$150, and depositing the increased fee into the TCTF would generate an estimated \$760,000 annually into the TCTF, with a conforming reduction of General Fund. Increasing this fee would require trailer bill language.

Does the Subcommittee wish to adopt trailer bill language to increase the Summary Judgment Motion Fee to \$150 with the revenue retained in the TCTF?

Action.

Continuance Fee

Proposal. Implementing a new Continuance Fee of \$50 for all civil and family law cases is estimated to generate \$9.3 million annually into the TCTF. A fee of \$100 is estimated to generate \$18.6 million. Implementing this fee would require trailer bill language.

Does the Subcommittee wish to adopt trailer bill language to implement of continuance fee of \$50 or \$100 for all civil and family law cases, with the revenue retained in the TCTF?

Action.

Enforcement of the Fee for Verbatim Record Keeping in Civil Matters.

Government Code Section 68086 requires payment of a fee by parties in civil cases when verbatim reporting services are provided by the court, including matters that last one-half day or less. The Legislature approved this statute in order to recoup the costs for verbatim recording.

Rules 890 through 892 of the California Rules of court set forth the guidelines for implementing Government Code Section 68086. Rule 892 (e) exempts matters lasting one hour or less from collection of this fee.

Alternatives. The AOC has noted that one alternative to enhancing collection would be to approve trailer bill language similar to the rule of court that provides for a graduated charge when a court reporter is used one hour or more for unlimited cases. Under this alternative, an hourly rate would be charged when a court reporter is used between one and four hours, a half day rate would be charged for four hours, half-day rate plus an hourly rate between four and six hours, and the daily rate for above six hours.

A second alternative proposed by the court reporters would be to assess court reporter fees for all limited and unlimited cases. Under this proposal, for all cases lasting more than an hour, a fee equal to the actual cost of providing that service per one-half day of service would be charged on a pro rata basis. For cases lasting less than one hour, a fee of \$75 would be charged. Under this proposal, a monetary sanction of up to \$100 would be charged per day that the fee is due and unpaid.

Staff Comments. The AOC and the court reporters are scheduled to continue discussions of these two proposals. The Subcommittee may wish to adopt a reduction of \$6 million as a placeholder, and trailer bill language in concept, pending the outcomes of discussions between the AOC and court reporters.

Does the Subcommittee wish to adopt a reduction of \$6 million and trailer bill language in concept, pending further negotiations?

Action

Trial Court Interpreter Employment and Labor Relations Act.

Budget Request. The budget proposes \$3.9 million from the General Fund to implement Chapter 1047, Statutes of 2002 (SB 371, Escutia), which requires the trial courts to employ spoken language interpreters as court employees rather than independent contractors on or after July 2003. The funding is intended to pay for salaries, the cost of workers' compensation, and the costs of the employer portion of social security or other pension benefits.

The court interpreters have requested adoption of budget bill language that would ensure that the funds are provided to fund the costs of employer contributions or an equivalent contribution to an alternative pension plan provided by a court in lieu of social security.

Potential Language: Item 0450-101-0932

Provision X. Of the funds provided in schedule 4, up to \$3.9 million shall be available for employment costs for transitioning court interpreters from independent contractors to court employees, including the costs of the employer contributions to social security or an equivalent employer contribution of 7.65 percent to an alternative pension plan provided by a court in lieu of social security.

Does the Subcommittee wish to adopt the proposal and include budget bill language to ensure that the transition costs, include funding for employer contributions to social security or an alternative pension plan are funded?

Action.

Consent Issues**Undesignated Fees**

Budget Request. The budget proposes trailer bill language to transfer \$31 million in undesignated fee revenue from the counties to the courts, and reduces the General Fund allocation to the Trial Court Trust Fund by the same amount.

Analyst's Issue. The LAO agrees in concept with the proposal to transfer undesignated revenue from the counties to the courts, particularly where the court bears the cost of providing the service. However, the LAO indicates that there is a high level of uncertainty in the estimate of \$31 million. To the extent the revenue from the undesignated fees does not materialize, the courts will have to either reduce their budgets or the General Fund will have to backfill the shortfall. The LAO notes two factors related to the uncertainty. First, because a number of courts were unable to report their revenue from undesignated fees, the AOC was forced to estimate the amount generated by those courts. Second, the LOA notes that some courts have informal agreements with counties regarding the use of undesignated fee revenue..

Staff Comments. At the hearing on March 19, the Subcommittee requested that the AOC and CSAC continue discussions regarding the undesignated fees. The AOC and CSAC have indicated that they have reached the an agreement for splitting the undesignated fees. This following proposal will require adoption of trailer bill language:

1. Any existing or new local agreements for sharing the revenue between courts and counties would be maintained through 2004-05. In order to ensure that expenditures from revenue sharing agreements are

consistent with Judicial Council policies and procedures the courts will be required to get AOC approval for new local agreements.

2. Provide that \$31 million above the amount currently received by the courts through local agreements is deposited into the Trial Court Trust Fund (TCTF) in the 2003-04 and 2004-05 budget years.
3. Provide that the \$31 million revenue to the TCTF shall come from any revenues above the amount currently received by the court in the following manner:
 - a. Transfer to the TCTF those fees that relate to court-provided services.
 - b. Provide that those fees related to services currently provided by both courts and counties shall be retained by the entity that provides the service.
 - c. Determine the difference of \$31 million and revenues transferred to TCTF pursuant to (a) and (b) above. Transfer that balance on a county-by-county basis as determined by the AOC and CSAC on January 1, 2004.
4. Require courts and counties to provide detailed quarterly reports of undesignated fee revenues in order to determine an equitable and permanent split of revenues not addressed in (a) and (b) above.
5. Require the AOC and CSAC to develop a long-term revenue allocation schedule at the end of the 2004-05 fiscal year, after taking into account any adjustments that are needed.
6. Provides that no other transfers of undesignated fees shall take effect in the 2003-04 and the 2004-05 fiscal years.

Does the Subcommittee wish to adopt the compromise trailer bill language that transfers \$31 million to the TCTF and reduces the General Fund appropriation into the TCFT by \$31 million?

Action.

Trial Motion Fee

Budget Request. The budget proposes trailer bill language to increase the fee for all trial court motions (excluding motions for summary judgment) by \$10, from \$23 to \$33. This proposed increase is estimated to produce \$1.2 million in additional revenues in the Trial Court Trust Fund. The budget reduces the General Fund appropriation to the Trial Court Trust Fund by a corresponding amount.

Does the Subcommittee wish to adopt this trailer bill language?

Action.

Security Fee Increase

Budget Request. The budget proposes trailer bill language to establish a new court security fee of \$20. This new \$20 fee will be levied on civil filings (\$9 million), as well as criminal fines (\$25 million). The DOF estimates that the court security fee will generate \$34 million in 2003-04. This funding would be deposited into the Trial Court Trust Fund. A corresponding amount of the General Fund appropriation into the Trial Court Trust Fund has been reduced.

Issue. The LAO has raised concerns, noting that (1) not all fee payers would be beneficiaries of court security services, (2) the new fee may reduce civil court access for some, and (3) the new fee may put other state and local programs at risk.

Staff Comments. The LAO has noted that court security costs have grown rapidly in the last few years, from \$263 million in 1999-00 to a projected \$356 million in 2003-04. Staff notes that if this fee proposal is not adopted, it would result in an additional reduction of \$43 million to the trial courts.

Does the Subcommittee wish to adopt the proposed trailer bill language?

Action

Negotiated Salary Increases for Court Security Staff

Budget Request. The budget proposes an increase of \$32.6 million to fund increases in the contractual costs of negotiated salary increases (NSIs) for security personnel for the budget year and for previously unfunded NSIs (\$12.6 million), increased retirement contributions (\$8.8 million), and increased benefit costs (\$10.8 million).

Staff Comments. Staff notes that this proposal does not provide additional security for the courts, but allows the courts to pay for increases in the contracts for current security personnel. The AOC notes that if this proposal is not approved, courts will have to reduce the level of security provided or redirect funds from other court operations.

May Revise Finance Letter Request. The Administration has proposed a May revise Finance Letter regarding this issue. This Finance Letter proposes an increase of \$3,556,000 to fund increased costs associated with providing security at trial court facilities. These increased security costs are related to salary and benefit increases negotiated by local law enforcement agencies that are passed on to the courts through security contracts. This request is in addition to the amount requested in the January 10 budget.

Does the Subcommittee wish to approve this proposal and the Finance Letter augmentation?

Action.

Administrative Consolidation Proposal

Budget Proposal. The budget proposes a reduction of \$2.5 million related to consolidation of administrative functions in the trial courts. The AOC indicates that no trailer bill language will be necessary to achieve these savings.

Does the Subcommittee wish to approve this proposal?

Action

Trial Court Staff Retirement.

Budget Request. The budget proposes \$20 million from the General Fund to pay for increased court staff retirement costs in 23 court systems.

May Revise Finance Letter Request. This Finance Letter proposes an increase of \$5,518,000 to fund the increased retirement costs for trial courts throughout the State. These increased costs are a result of a variety of factors including increased retirement rates, changes in retirement benefit plans negotiated by the courts or counties, increased costs of retiree health benefits, and changes in the employers' share of retirement benefits. This request is in addition to the amount proposed in the January budget.

Does the Subcommittee wish to approve the request and the Finance Letter additional amount?
Action.

May Revise Consent Issues

Trial Court Workers' Compensation.

Finance Letter Request. This Finance Letter proposes an increase of \$5,478,000 to fund increased workers' compensation costs for the trial courts. This amount reflects known increases in the amounts that courts will be required to pay to their workers' compensation providers in the budget year as well as funding for cost increases that the courts have absorbed in the current year but will be unable to absorb on an ongoing basis.

Does the Subcommittee wish to approve this Finance Letter request?
Action.

Service of Process Fees for Protective Orders.

Finance Letter Request. This Finance Letter proposes an appropriation of \$3,000,000 to provide funding for the costs associated with Chapter 1009, Statutes of 2002, which requires the courts to provide free service of process of a protective order, restraining order, or injunction if the service of process is a result of domestic violence, stalking, or a threat of sexual assault. This legislation allows local law enforcement agencies to bill the superior court for payment of the fees related to the service of process required by this bill if the individual requesting the service would not otherwise qualify for a fee waiver.

In addition, the letter requests that the following budget bill language be included, specifying the purpose for these funds, requiring that any unused funds will revert to the General Fund, and to requiring the Judicial Council to provide the Department of Finance with a report on the implementation of this legislation.

Item 0450-101-0001

Provisions.

1. The amount in this item shall only be used for the payment of service of process fees billed to the trial courts as a result of Chapter 1009, Statutes of 2002. The Judicial

Council shall distribute funds appropriated in this item to the individual trial courts on a reimbursement basis.

2. Any funds not used pursuant to Provision 1 shall revert to the General Fund.
3. The Judicial Council shall provide the Department of Finance with a report, by September 1, 2004, detailing the number of services of process billed to the courts under Chapter 1009, Statutes of 2002, the costs of these services, and information on any agreements reached with local law enforcement to provide this service free of charge or at a reduced rate.

Does the Subcommittee wish to approve this Finance Letter request?

Action

Court Security Realignment

Finance Letter Request. Court security, originally a part of the Governor's realignment proposal, is proposed to be reinstated in the budget. Therefore, an increase of \$299,548,000 is proposed to reflect the restoration of General Fund support for the costs of court security. This amount equals the level of revenue that realignment would have provided to the Trial Court Trust Fund. It includes \$266,954,000 for the base funding for court security and \$32,594,000 to fund the budget change proposal for increased court security costs.

Staff Comments. The Subcommittee previously rejected the realignment proposal. Staff recommends rescinding the previous action and adopting the Finance Letter.

Does the Subcommittee wish to rescind the previous action and adopt the Finance Letter withdrawing the realignment proposal?

Action.

0280 Commission on Judicial Performance

The Commission on Judicial Performance investigates and adjudicates complaints against judges. A constitutional amendment, Proposition 221, was passed by the voters and became effective June 3, 1998. Proposition 221 placed all California court commissioners and referees under the commission's discretionary jurisdiction. This jurisdiction was previously vested exclusively in the presiding judges.

Budget Request. The budget proposes total expenditures of \$3.1 million from the General Fund, a decrease of \$1 million, or 25 percent from current year expenditures. The commission has a total of 27 positions.

Commission Workload. In 2001, 835 complaints about active judges were considered for the first time. The 835 complaints named a total of 781 different judges and covered a wide array of grievances. In 2001, the commission also received 112 complaints about subordinate judicial officers. In 2002, the commission 918 complaints about active judges were considered, and 128 complaints about subordinate judicial officers.

Commission Actions. In 2001, the commission removed one judge from office and issued two public censures, five private admonishments, three public disciplinary actions, and 19 advisory letters. In 2002, the commission issued four public censures, one public admonishment, six private admonishments, five public disciplinary actions, and 17 advisory letters. Additionally, the commission issued one order of removal of a judge that is pending.

Staff Comments. The CJP indicates that the proposed 25 percent reduction would have a significant impact on its mission. An 8 percent reduction (\$331,000) would be closer to the net reductions to other judicial branch agencies.

Does the Subcommittee wish to reduce the CJP budget by 8 percent?

Action

0390 Judges' Retirement System

Consent Issue

Budget Request. For JRS I, the budget includes \$15 million from judges' contributions, \$3 million from civil fees, and \$113 million from the General Fund. The General Fund portion is made up of \$15 million, equivalent to 8 percent of judges' salaries, \$600,000 for PERS administrative costs, and the amount necessary to cover JRS I payments (estimated at \$98 million). JRS I will pay a projected \$121 million in benefits to 1,546 annuitants in the budget year.

Analyst's Recommendation. The LAO recommends that the appropriation to JRS I be reduced by \$10 million to help address the General Fund shortfall. The LAO indicates that this action would reduce the reserve from approximately two months' worth of pension payments to one month.

Finance Letter Request. This Finance Letter proposes to reduce the appropriation for the JRS by \$10.3 million, to leave a fund balance of one month's worth of benefit payments. The original proposal included a reserve of two months.

Does the Subcommittee wish to adopt the Finance Letter?
Action.